

January 18, 2006

EXPLANATION OF ADMINISTRATIVE EXPENSES FOR 2006

General. Administrative expenses of the Senate Majority Fund are low because our local fundraising is done by a professional fundraiser on a contract basis. She is paid based on a percentage of funds raised. As would any contractor, she uses her own telephone and office equipment. She does not do her work at the Senate Majority Fund office.

Employees. The Senate Majority Fund has three part-time employees, the Treasurer and two others. Their wages will continue to be properly reported. Because fundraising activities are "outsourced", activities at the the Senate Majority Fund are limited to processing mail, writing checks for expenses and contributions, and complying with the Federal Election Campaign Act.

Rent. The Senate Majority Fund rents office space from the Jon Kyl for U.S. Senate Committee. The rent paid is in proportion to the percentage of the square footage used. Utilities are included in the rent paid by the Jon Kyl for U.S. Senate Committee.

Rent of Equipment. The Senate Majority Fund rents a desk, chair, filing cabinet, computer, and telephone at the rate of \$45.00 a month. This is fair market value of the rental for this equipment.

Telephone and Internet Service. The Senate Majority Fund reimburses Jon Kyl for U.S. Senate for telephone and internet services. The Senate Majority Fund pays ten percent of the total telephone service and internet service. These percentages are based on estimated relative use of these services.